

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2342 - SB 2199

March 16, 2009

SUMMARY OF BILL: Authorizes certain students who did not meet academic requirements for initial eligibility for the HOPE Scholarship to subsequently qualify for the scholarship if the student was admitted to and enrolled in an eligible postsecondary institution within 16 months of graduation from high school or obtaining a GED, and the student achieved all academic requirements necessary for retention of a HOPE scholarship.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – No fiscal impact for FY09-10. Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$5,790,000 in FY10-11.

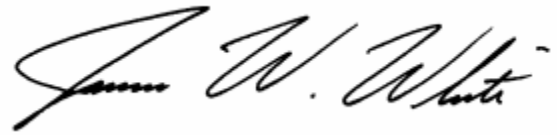
Assumptions:

- This bill takes effect upon becoming law and shall apply to students seeking postsecondary financial assistance from net lottery proceeds for the 2009-10 academic year.
- First-time freshmen who will seek financial assistance for the 2009-10 academic year, but fail to qualify for such assistance, must complete 24 semester hours prior to having continuation requirements reviewed.
- The first academic year in which such first-time freshmen would begin receiving HOPE Scholarship awards is academic year 2010-11 (or FY10-11). As a result, there would be no fiscal impact in FY09-10.
- The Tennessee Student Assistance Corporation projects 852 students attending eligible four-year institutions who will become eligible under this bill; 1,191 students attending eligible two-year institutions will become eligible.
- Scholarship awards for students attending eligible four-year institutions are \$4,000 per year; scholarship awards for students attending eligible two-year institutions are \$2,000 per year.

- The increase of expenditures from lottery proceeds for FY10-11 is estimated to be \$5,790,000 $[(852 \times \$4,000) + (1,191 \times \$2,000) = \$5,790,000]$.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/rnc